

Succession And Your Second Mountain

The act of passing your business to the next generation is difficult for several reasons. Succession requires actively seeking what will be necessary for future success, while simultaneously acting in ways that reduce your own daily business responsibilities. Another reason is that your identity, or who you are, tends to be wrapped up in your role, or what you do, and during succession, your role—and thus your psyche—is undergoing significant change. Finally, all of this is happening while you are trying to determine your ongoing sources of income and the tax effects of transitioning ownership. Indeed, business succession can be uncertain, emotionally difficult and financially complex.

FIRST MOUNTAIN, SECOND MOUNTAIN

In his latest book, “The Second Mountain: The Quest for a Moral Life,” David Brooks offers help with succession planning by focusing on the next chapter of your life. Brooks suggests the “first mountain” is the career and business success you’ve enjoyed to this point.

It could be represented in terms of acres farmed or ranched, head of livestock, number of employees, dollars of revenue, the geographic area covered, your net worth or the number of years or generations in business.

The “second mountain” is focused on the impact you will have on others. In describing your second mountain, you might talk about the difference you’ve made for your employees, the gifts you have given to charity, the nature of your friendships or the time you’ve spent at your church caring for others. The measures of second-mountain success are less material and more relational, involving the well-being of your family, friends and community. The measures may even be more spiritual in nature, describing your general alignment with a transcendent ideal.

The first mountain is about succeeding in the world and achieving the benchmarks that show everyone around you that you have been prosperous. The second



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mountain, on the other hand, is about reaching a certain level of personal fulfillment and a sense that you have been effective because other people are better. “That’s the crucial way to tell whether you are on your first or second mountain,” Brooks writes. “Where is your ultimate appeal? To self, or something outside of self?”

TWO QUESTIONS FOR SUCCESSION

This is where business succession enters the equation. If succession means other people will assume your responsibilities in the business (your first mountain), then your focus in your transition needs to be on the

second mountain. In other words, succession does not simply answer the question, “How do I let go?” It answers the question, “Where am I going?” And, there are two related questions on the path up the second mountain.

How will my next chapter be fulfilling?

Knowing the second mountain is not marked by traditional norms of business success, you must focus on fulfillment. This

is more than just “finding a hobby.” It involves finding a way to make a contribution to something bigger than yourself—a cause, a person, an organization, a community or an ideal. Another way to ask this question is, “To what or whom, outside of the business, will I commit the next several years?”

How will I help the next generation be successful?

Those who successfully climb the second mountain are often motivated by seeing other people succeed. If you can focus on how best to help the next generation flourish—which means you must sometimes watch them fail, or you might need to be gone for extended periods of time—the odds are your journey up the second mountain will be more satisfying.

Succession planning is a challenge for most business owners. But, if you have confidence in the next generation, the transition is made easier by focusing on your second-mountain opportunities. ///



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